

§ 1.263(a)-0T

§ 1.263(a)-0T Table of contents (temporary).

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§ 1.263(a)–1 Capital expenditures; in general.

(a) through (c) [Reserved] For further guidance, see § 1.263(a)&1T(a) through (c).

(d) through (h) [Reserved] For further guidance, see § 1.263(a)–1T(d) through (h).

[T.D. 9564, 76 FR 81101, Dec. 27, 2011]

§ 1.263(a)–1T Capital expenditures; in general (temporary)—

(a) *General rule for capital expenditures.* Except as provided in chapter 1 of the Internal Revenue Code, no deduction is allowed for—

(1) Any amount paid for new buildings or for permanent improvements or betterments made to increase the value of any property or estate; or

(2) Any amount paid in restoring property or in making good the exhaustion thereof for which an allowance is or has been made.

(b) *Coordination with section 263A.* Section 263(a) generally requires taxpayers to capitalize an amount paid to acquire, produce, or improve real or personal tangible property. Section 263A generally prescribes the direct and indirect costs that must be capitalized to property produced by the taxpayer and property acquired for resale.

(c) *Examples of capital expenditures.* The following amounts paid are examples of capital expenditures:

(1) An amount paid to acquire or produce a unit of real or personal tangible property. *See* § 1.263(a)–2T.

(2) An amount paid to improve a unit of real or personal tangible property. *See* § 1.263(a)–3T.

(3) An amount paid to acquire or create intangibles. *See* § 1.263(a)–4.

(4) An amount paid or incurred to facilitate an acquisition of a trade or business, a change in capital structure of a business entity, and certain other transactions. *See* § 1.263(a)–5.

(5) An amount paid to acquire or create interests in land, such as easements, life estates, mineral interests,